

## Message Text

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PAGE 01 NEW DE 07875 021344Z

ACTION NEA-10

INFO OCT-01 ISO-00 EB-07 CIAE-00 DODE-00 INR-07

NSAE-00 PA-01 USIA-06 PRS-01 SP-02 HEW-04 TRSE-00

L-03 /042 W

-----021955Z 036322 /41

R 021149Z JUN 77

FM AMEMBASSY NEW DELHI

TO SECSTATE WASHDC 3812

USDOC WASHDC

LIMITED OFFICIAL USE NEW DELHI 7875

FOLLOWING TELEGRAM SENT ACTION NEW DELHI INFO CALCUTTA  
AND MADRAS 2 JUNE 1977 AND IS REPEATED FOR YOUR INFOR-  
MATION.

QUOTE:

LIMITED OFFICIAL USE BOMBAY 1269

.O. 11652 N/A

TAGS: ECEM, IN

SUBJ: ECONOMIC TIMES REPORT ON NEW DRUG POLICY

1. THE ECONOMIC TIMES REPORTED ON MAY 25 THAT GOI IS LIKELY TO  
REDUCE PRICES OF APPROXIMATELY 100 ESSENTIAL DRUGS AND CONCURRENTLY  
REMOVE PRODUCTION RESTRICTIONS (DELICENSE) ON SEVERAL OF THEM TO  
EXPAND THE SUPPLY OF THESE DRUGS. THE REPORT ALSO COMMENTED ON  
IMPLICATIONS OF THE DECISION ON SMALL PHARMACEUTICAL PRODUCERS  
WHICH MAY LOSE A SHARE OF THE MARKET TO LARGE DRUG FIRMS.

2. A SOURCE IN THE ORGANIZATION OF PHARMACEUTICAL PRODUCERS OF  
INDIA (OPPI) INFORMED US THAT ECONOMIC TIMES REPORT WAS PREMATURE  
AND EXAGGERATED. ACCORDING TO HIM, THE DRUG POLICY IS CURRENTLY  
UNDER REVIEW AND IS NOT EXPECTED TO BE ANNOUNCED TILL JULY 17.

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THERE ARE, AS YET, NO DEFINITIVE INDICATIONS OF THE NEW POLICY  
PARAMETERS. ECONOMIC TIMES REPORT APPARENTLY WAS BASED ON AN  
INFORMAL CONVERSATION ITS CORRESPONDENT HAD WITH THE UNION  
CHEMICAL AND PETROLEUM MINISTER BAHUGUNA WHEN HE  
VISITED BOMBAY RECENTLY TO INAUGURATE LUBRIZOL PLANT.

3. THE SPOKESMAN FURTHER STATED THAT OPPI RECENTLY

SUBMITTED A MEMORANDUM TO GOI ON DEVELOPMENT OF DRUG INDUSTRY INCLUDING PRICING. OPPI EXECUTIVE COMMITTEE HAS AS YET NOT HAD ANY FORMAL DISCUSSION WITH GOI ON DRUG PRICES OR ANY OTHER MATTER. IT HOPES TO BE GIVEN A HEARING BY MINISTER BAHUGUNA BEFORE THE NEWDRUG POLICY IS FINALIZED.

AP4. OPPI SPOKESMAN ALLEGED THAT REPORT SUCH AS THE ONE IN ECONOMIC TIMES CRATE CONFUSION IN THE PUBLIC MIND. HE, THEREFORE, BRIEFED NEWS EDITORS OF OTHER NATIONAL DAILIES INCLUDING THE TIMES OF INDIA, FINANCIAL EXPRESS AND CALLCUTTA-BASED BUSINESS STANDARD ON HIS ORGANIZATION'S POSITION AND H HOPES THAT STORIES CONTRADICTING ECONOMIC TIMES WILL APPEAR IN THESE PAPERS.

COURTNEY UNQUOTE  
GOHEEN

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
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**Channel Indicators:** n/a  
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**Concepts:** POLICIES, DRUGS, PRICES  
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**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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**Executive Order:** N/A  
**Errors:** N/A  
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**Original Handling Restrictions:** n/a  
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**Review Markings:**  
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